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#### 001 General Provisions.

<u>001.01 Statutory Authority</u>. Section 79-8,140 of the <u>Revised Statutes of Nebraska</u> (R.R.S.) directs the State Board of Education to adopt and promulgate rules and regulations to carry out the Attracting Excellence to Teaching Program Act.

<u>001.02 Purposes</u>. The purposes of the Attracting Excellence to Teaching Program are to:

<u>001.02A</u> Attract outstanding students to the teacher education programs of Nebraska's postsecondary educational institutions;

<u>001.02B</u> Retain resident students and graduates as teachers in the accredited or approved public and private schools of Nebraska; and

<u>001.02C</u> Establish a loan contract that requires a borrower to obtain employment as a teacher in this state after graduation.

#### 002 Definitions.

002.01 Board shall mean the State Board of Education.

<u>002.02</u> Borrower shall mean an eligible student who receives funds from an eligible institution pursuant to the Attracting Excellence to Teaching Program.

<u>002.03</u> <u>Department</u> shall mean the State Department of Education, which is comprised of the Board and the Commissioner.

<u>002.04 Eligible institution</u> shall mean a not-for-profit college or university which:

002.04A is located in Nebraska,

<u>002.04B</u> is accredited by the North Central Association of Colleges and Schools.

<u>002.04C</u> has a teacher education program accredited by the Department, and

<u>002.04D</u> if a privately funded college or university, has not opted out of the act pursuant to this chapter.

#### 002.05 Eligible student shall mean an individual who:

002.05A is a full-time student,

<u>002.05B</u> is enrolled in an eligible institution in a teacher education program,

<u>002.05C</u> has been officially admitted to that teacher education program, pursuant to their administrative standards,

<u>002.05D</u> if enrolled at a state-funded eligible institution, is a resident student as described in 85-502 R.R.S. or, if enrolled in a privately funded eligible institution, would be deemed a resident student if enrolled in a state-funded eligible institution,

<u>002.05E</u> graduated in the top quarter of his or her high school class or has a minimum cumulative grade point average of 3.0 on a four-point scale in an eligible institution,

<u>002.05F</u> agrees to complete a teacher education program at an eligible institution; and

<u>002.05G</u> commits to teach in an accredited or approved public or private school in Nebraska upon successful completion of a teacher education program at an eligible institution and becoming certified pursuant to Sections 79-806 to 79-816 R.R.S.

<u>002.06</u> Employed as a teacher shall include full-time employment (FTE) or an equivalent of a .5 FTE. Substitute teachers who work equivalent hours of a .5 FTE, over the course of one school year, shall be considered employed as a teacher.

<u>002.07 Full-time student</u> shall mean, in the aggregate, the equivalent of a student who in a twelve-month period is enrolled in thirty semester credit hours or forty-five quarter credit hours of classroom, laboratory, clinical, practicum, or independent study course work.

- 002.08 Program shall mean the Attracting Excellence to Teaching Program.
- <u>002.09 Repayment period</u> shall mean the time during which the borrower is making payments on the loan or loans.
- <u>002.10</u> Student loan shall mean the amount of money advanced to a borrower from funds provided pursuant to the Attracting Excellence to Teaching Program Act under a contract.
- <u>002.11 Teacher</u> shall mean any certified employee who is regularly employed for the instruction of pupils pursuant to Section 79-101 R.R.S. For purposes of this Chapter, this definition does not include administrators, educational library media specialists, school guidance counselors, school psychologists, or other special services certificate holders who function exclusively in positions requiring these endorsements.
- <u>002.12 Teacher Education Program</u> shall mean a program of study which results in obtaining a bachelor's degree which meets the education requirements of certification pursuant to Sections 79-806 to 79-816 R.R.S..

#### 003 Application Process.

- <u>003.01 Application</u>. In order to be considered for a student loan, an eligible student must complete a written application on a form, which is available from the Department.
- <u>003.02</u> <u>Deadline</u>. Applications must be postmarked on or before December 1 of each year in which funds are available. Applications must be submitted to the administrator responsible for the teacher education program which has admitted the applicant.
- <u>003.03 Maximum amounts</u>. Eligible students may apply, on an annual basis, for loans in an amount of not more than two thousand five hundred dollars (\$2500) per year. Loans awarded to a student shall not exceed a cumulative period exceeding five consecutive years.
- <u>003.04 Distribution</u>. The Department shall allocate, on an annual basis, the funds to be distributed for the program to all eligible institutions according to the

distribution formula set forth in section 005. The eligible institutions shall act as agents of the Department in the distribution of the funds to eligible students.

<u>003.05 Priorities</u>. Priorities for loan distribution shall be to eligible students who are majoring in subject shortage areas as defined in section 004.

<u>003.06</u> Awards. Loans shall only be awarded through an eligible institution and funded pursuant to 79-8,136 R.R.S.. Prior to receiving any money from a loan pursuant to the Attracting Excellence to Teaching Program, an eligible student shall enter into a contract with the Department.

<u>004 Subject Shortage Areas</u>. Teacher shortage areas will be determined annually by the Commissioner of Education on the basis of information gathered from a survey of schools sponsored by the Department.

<u>004.01 Criteria</u>. The Commissioner will identify as subject shortage areas those subject areas identified in an annual survey of school administrators conducted each year which identifies the teaching vacancies which could not be filled by applicants who are qualified by level and endorsement area.

<u>005 Formula</u>. The formula for distribution of scholarship funds to eligible institutions will be based on the percentage of the previous year's total teacher education completers generated by each Nebraska institution approved to prepare teachers. The percentage of scholarship funds available to each institution will match the institution's percentage of the state's completers from all participating institutions.

<u>005.01 Opting Out Provisions</u>. A Nebraska institution which prepares teachers may opt out of the Attracting Excellence to Teaching program by providing a letter, sent by certified mail to the Commissioner of Education, which identifies their unwillingness to participate in the program. Such letter will be considered valid until a letter, sent by certified mail, is delivered to the Commissioner indicating the institution's desire to begin participation in the program.

<u>005.02</u> Institutional Formula. The institutional formula for distribution of the appropriated funds will be reported to participating institutions at the beginning of the school year, or no later than October 15th of each year. The formula will be based on completer data reported to the Department for the previous academic year.

<u>006 Loan Contract Provisions</u>. Prior to receiving any money from a loan pursuant to the Attracting Excellence to Teaching Program, an eligible student shall enter into a contract with the Department. Loans awarded to individual students shall not exceed a cumulative period exceeding five consecutive years. The contract shall require that:

#### 006.01 Repayment Commencement.

<u>006.01A</u> If the borrower is not employed as a teacher in Nebraska for a time period equal to the number of years required for loan forgiveness and is not enrolled as a full-time student in a graduate program within six months after obtaining an undergraduate degree for which a loan from the program was obtained or the borrower does not complete the requirements for graduation within five consecutive years after receiving the initial loan under the program, then the loan must be repaid, with interest at the rate fixed pursuant to Section 45-103 R.R.S. accruing as of the date the borrower signed the contract.

<u>006.01B</u> If a borrower fails to remain enrolled at an eligible institution or otherwise fails to meet the requirements of an eligible student, repayment of the loan shall commence within six month after such change in eligibility.

<u>006.02</u> Monthly Payment Procedures. Repayment will be made on a monthly basis on a repayment schedule which allows up to two years of payments for each year a scholarship was received. A borrower, at his/her option, may accelerate payment on all or any part of the loan principal plus accrued interest at any time without penalty. Monthly payments must be received at the Department no later than the 15th of each month.

<u>006.03 Penalty</u>. In the event the borrower fails to make a scheduled payment of any installment due, the entire unpaid indebtedness including interest due shall, at the option of the Commissioner, become immediately due and payable.

#### 006.04 Repayment Exceptions.

<u>006.04A Cancellation</u>. The repayment obligation will be cancelled if the Commissioner determines that:

<u>006.04A1</u> The borrower is unable to teach because s/he is permanently totally disabled, on the basis of verification from the Social Security Administration; or

<u>006.04A2</u> The borrower has died, on the basis of a death certificate or other evidence conclusive under State law provided by next of kin or personal administrator of the estate.

<u>006.04B Deferment</u>. A deferment of the repayment period may be granted by the Commissioner if the borrower is in repayment status and can substantiate that s/he is:

<u>006.04B1</u> engaging in a full-time course of study at an institution of higher education;

<u>006.04B2</u> serving on active duty as a member of the Armed Forces of the United States, for a period not in excess of three (3) years;

<u>006.04B3</u> temporarily totally disabled as established by the sworn affidavit of a qualified physician, for a period not in excess of three (3) years;

<u>006.04B4</u> unable to secure employment by reason of the care required by a disabled child, spouse, or parent for a period not in excess of twelve (12) months;

<u>006.04B5</u> seeking and unable to find full-time employment for a single period not to exceed twelve (12) months; or

<u>006.04B6</u> unable to satisfy the terms of the repayment schedule while seeking but unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary school, or secondary school for a single period not to exceed 27 months.

<u>006.04C</u> <u>Qualification for Exceptions</u>. To qualify for a cancellation or deferment, the borrower must notify the Department of his or her claim and provide supporting documentation of the claim. If the borrower's claim is accepted, s/he will not be required to make repayments nor will interest accrue on the outstanding balance during the deferment period.

<u>006.05 Loan Forgiveness.</u> If the borrower successfully completes the teacher education program and becomes certified pursuant to 79-806 to 79-816 R.R.S., becomes employed as a teacher in this state within six months of becoming certified, and otherwise meets the requirements of the contract, payments shall be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under the contract. For each year that the borrower teaches in Nebraska pursuant to the contract, payments shall be forgiven in an amount equal to the amount borrowed for one year, except if the borrower teaches in a school district that is at least partially in a local system classified in the very sparse cost grouping as provided in 79-1007.02 R.R.S. or teaches in a school district in which at least forty percent of the students qualify for the poverty factor as provided in 79-1007.01 R.R.S., payments shall be forgiven each year in an amount equal to the amount borrowed for two years.

<u>007 Default</u>. Failure of a borrower to either fulfill the terms necessary for loan forgiveness according to section 006.05, or repay the loan according to section 006.04 shall constitute a default. Borrowers in default may be referred to a collection agency according to 45-623 R.R.S.

<u>008 Reports</u>. The Department will provide reports on the Attracting Excellence to Teaching Program as required by 79-8,139 R.R.S.

<u>008.01 Institutional Reports</u>. Each participating institution shall file an annual report by October 15<sup>th</sup> with the Department containing the following information:

008.01A The number of borrowers who have outstanding student loans,

<u>008.01B</u> The total amount of outstanding student loans,

<u>008.01C</u> The number of borrowers who still are currently enrolled as full-time students,

<u>008.01D</u> The number of borrowers who have graduated.

#### 008.02 Department of Education Reports.

<u>008.02A</u> On or before November 15 of each year, the Department shall submit a report to the Education Committee of the Legislature. The report shall contain, at a minimum, the following information:

<u>008.02A1</u> Information on an institution-by-institution basis from the institutional reports;

008.02A2 Status of borrowers;

008.02A3 Financial statement of the program; and

<u>008.02A4</u> A description of the activity of the Attracting Excellence to Teaching Program Cash Fund.

<u>008.02B</u> By December 31, 2005, the Department shall provide a report to the Governor and the Clerk of the Legislature which includes:

008.02B1 The status of the program;

008.02B2 The status of the borrowers; and

<u>008.02B3</u> The impact of the program on the number of teachers in Nebraska.

<u>008.03</u> Confidentiality of information. Any report which includes information about borrowers shall exclude confidential information or any other information which specifically identifies a borrower.